

Feb. 8, 2003
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State of Alaska

Local Boundary Commission
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Following is the text of my testimony as given on this date: a few changes are made

For the record, my name is Mike Rieves, a Hollis resident of 23 years, an Alaska resident for 36 years, and speaking as an individual

Given that this unorganized borough review is a result principally of concerns surrounding state education expenditures, particularly as they derive from political perspectives focused on contribution differentials, it is important to examine some facts which may serve to reserve until a later more appropriate time, the process at hand — such a future time could be realized when a representative majority of Prince of Wales Is. (POW) residents would agree on both the necessity and advantages of petitioning the LBC for borough formation.

Item 1 For the 2003 FY, total state entitlements for the four school districts in the POW

Is. model borough capture only approx. 1 1/4 % of those expenditures made for all of the school districts in the State - ie, trivial.

I note also that the eight model boroughs now being reviewed, taken in combination, use only 6.7% of that State total.

Item 2 As given in the table on Pg 44, ch 3, of the Draft, the estimate of full and true taxable property outside the city school districts on POW (approx. 75 million dollars), even if taxed at the 4 mil rate, would produce only 3.6% of the FY '03 POW state entitlement - trivial again.

Item 3 If there is a real revenue deficiency problem for the State, then clearly from the foregoing, any significant part of a solution is not to crack a peanut with a sledgehammer by imposing an economically unwarranted, and at this time, unnecessary borough government on POW.

Item 4 Again, if there is a real revenue deficiency, what happened to instituting the State

income tax with an attached, fixed amount school tax ... similar to what was in place before State government became giddy from oil wealth. With such a combined tax in place, not only would all who file a federal return represent an equitable participation in the funding of State services, but it would also provide on the order of 35 to 40 million dollars, calculated at \$100 per return for dedicated school expenses. By an equivalency comparison, this amount represents more than 75% of what the State now pays out in total entitlements for all eight of the model boroughs. This tax would apply to residents and non-residents alike.

Item 5 A combined State income and school tax could easily be modulated as a function of variations in resource revenues; and such a funding methodology sits in distinct contrast to expropriation of Permanent Fund dividend monies and imposition of regressive sales taxes. It is patently preferable that the many pay a modest, if any, amount

correlated to their income than to have the few pay a skewed amount which would be highly factored, and in many cases, financially devastating as a result of application of the 'True and Full Value' assessment standard.

Mike Rives
Hollis

Data in this text was taken from the most recent information provided by the Departments of Education and Revenue.

A special note to Chairman Kevin Waringe

Your emotive driven jabberwocky following my presentation wherein you expressed being offended by my testimony was, inter alia, a manifestation of hubris and impaired intellectum.

I have the right to present my case as was delivered; and your obligation as chairperson of the Commission at the public forum was to receive that testimony, not arraign against the testifier.

As today's hearing record evinces, my comments were in alignment not only with others from POW, but also with many of those from five other model borough regions.

Given that your charge is information collection for the state legislature, your personal sentiments are just that, and should not be vented in public intercourse.

Mike Rives

Copies Sen. Gary Wilkins
Interested Parties